China, the Emerging Superpower and Drifting Sino-Japanese Relations

Fragile Foundations and Foreign-Domestic Linkages

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Abstract
This article analyzes Chinese foreign policy in recent years, particularly its relations with Japan. In the last two decades, China has been rather consistent in its advocacy of a grand strategy for “passing the US”. Meanwhile, that China’s foreign strategy has taken a cooperative stance, characterized by Deng Xiaoping’s “24-character words”. The aim of this article is to point out that a hardline stance has gradually surfaced within Chinese foreign policy decision making, symbolized by the emphasis on defending so-called “core interests.” This article also examines the influence of foreign-domestic linkages on Chinese foreign policy, particularly in the context of Sino-Japanese relations, addressing such incidents as the 2010 Chinese fishing trawler collision incident around the Senkaku/Diaoyu Islands to develop an analysis. The author finally offers three scenarios for the future of Sino-Japanese relations: a conflict between China and Japan, the isolation of Japan, or the co-existence and co-prosperity of both countries.

Keywords
China, Japan, Sino-Japanese relations, core interests, foreign-domestic linkage

Bilateral relations between China and Japan, which were described as seirei keinetsu (politically cold, economically hot) during the Koizumi administration, saw a rapid rebound at the time of Abe’s instatement in the fall of 2006. Positive interactions, such as active mutual visits of government leaders on the political front, the steady deepening of mutual economic interdependence, and an improvement in national sentiments in each country towards the other have become conspicuous, and it appeared that a favorable, stable stage had been reached. However, due to an incident involving a collision between a Chinese fishing vessel and a Japanese Coast Guard patrol boat near the Senkaku/Diaoyu islands in September 2010, economic, political and academic exchanges were temporarily suspended. Furthermore, relations between the two countries grew colder yet with the detention of Fujita Corporation employees and anti-Japanese riots in inland areas of China. Why did Sino-Japanese relations, which had
purportedly been “smooth,” crumble so easily? How should the characteristics of the incidents that occurred between the two countries be understood? How does China view Sino-Japanese relations in the first place? What is the future of Sino-Japanese relations? This paper will attempt to answer to these questions.

1. China: On the Road to Becoming a Superpower

First, the discussion will launch from a broad framework. 2010 marked a major turning point in Sino-Japanese relations. Starting in the economic arena, the National Bureau of Statistics of China announced in January 2011 that the GDP of China in 2010 had increased 10.3% since the previous year. Converted to dollars, this is approximately $5.8786 trillion. Japan's GDP for the same year as released by Japan's Cabinet Office on February 14th was about $5.4742 trillion, and so, at last, China boasted the world's second largest economy. Japan, which had, for 42 years, had the world’s second largest GDP since overtaking Germany in 1968, finally, though expectedly, gave up its position to China. Moreover, Hu Angang, a world-renowned economist and professor at Tsinghua University, published a paper titled “How Will China Overtake and Pass the US?” in issue No. 1 of this year's volume of Liaowang in which he announced a confident view that China would pass the US in terms of GDP in 2020.1

It is true that despite attention being drawn to various problems such as widening disparities and intensifying environmental problems, China has held on to the previously high level of foreign direct investment, rapidly pushed forward with distribution infrastructure such as high-speed railways, highways, air transportation and so on, centered on the inland regions, and its presence as the “world's factory” is trending upwards. Moreover, China has steadily produced results as the “world's market” while looking askance at the economies of developed countries, which have been stagnating since the global financial crisis stemming from the collapse of Lehman Brothers in the summer of 2008. Even the US, which reigned as the world's superpower, has been facing a foundering economy and has had no choice but to focus on correcting the trade imbalance with China through such efforts as reevaluating the RMB and improving the large trade deficit. China's influence in international society is steadily growing. Despite their being differing opinions domestically, China is consistently beginning to direct towards a grand strategy for “passing the US” as can be seen in the Hu paper mentioned above. China's transformation into a powerhouse is, of course, not limited to the economic arena. China's defense expenditures in 2010 rose to 532.1 billion RMB, which was a year-over-year increase of 7.5%, remaining at a single digit increase for the first time in 22 years. However, in China's 2011 government budget, this once again returned to a double-digit expansion of 12.7%. Moreover, this does not include the ICBMs displayed at a military parade in 2009 or expenses related to a self-made aircraft carrier under construction that is projected to cost a total of 1.8 trillion yen. Defense expenditures are considered to actually be “at least twice the official quantity” (estimations from US Department of Defense), and suspicion of transparency runs deep.

1 Junkan Chūgoku Naigai Dōkō [China’s Internal and External Trends] (31 January 2011), pp. 4-8.
Official military expenditures from 1989 to 2009 continued to increase by double digits year-over-year, and the strengthening of military power proceeded at an extremely rapid pace. Even official defense expenditures passed those of Japan in 2007. A modernizing China has been putting effort into developing modern fighters, high-tech weapons, weapons of mass destruction and long-/short-range ballistic missiles. In addition, China's naval power has also been amplified by leaps and bounds by such actions as deploying nuclear submarines and aircraft carriers, and at this point it is considered to be second in the world just behind the US.

The growth of China's national power is not limited to the economic and military realms. In the first half of 2009, the Korean Peninsula Advancement Foundation released a study on overall national power of the G20 members. This report offered a ranking based on 13 factors of the nation: 7 factors in the area of hard power (basic power such as land area, population, defense, economy, science/technology, education, information, and environmental management power) and 6 factors in the area of soft power (management of affairs of state, political power, diplomatic power, cultural power, social capital power, and ability to respond to macro-level changes). The top country was the US with 69.15 points, followed by China with 54.73 points, Japan with 53.45 points, Great Britain with 53.05 points, Germany with 52.92 points, France with 52.16 points, and South Korea with 48.56 points at 13th place. The fact that the US and China respectively ranked 1st and 2nd impressed the fact that the G2 era has come.2

Also, with these types of power as a backdrop, an economic and security strategic dialogue took place between China and the US on June 27-28, 2009. Previously, Sino-US strategic economic dialogue for economic issues was kept separate from that relating to diplomatic/security issues, but this “US-China Strategic and Economic Dialogue” held for the first time in Washington, DC, merged and upgraded the two. The meeting was headed on the US side by Secretary of State Hillary Clinton and Secretary of the Treasury Timothy Geithner, and on the Chinese side by Vice-Premier Wang Qishan, in charge of economics, and State Councilor Dai Bingguo, who was Vice-Premier-class and in charge of diplomacy. The whole Chinese delegation also included a number of important cabinet members and central bank officials. The number of participants from China alone reached 150 people, an unusual scale for bilateral talks.

In January 2011, Chinese President Hu Jintao paid an official visit to the US for the first time in four years and nine months. Although a backlash was prominent in the West, particularly in the US, in response to China's hardline, active diplomacy of 2010, a $3.24 billion investment in the US and a large $45 billion purchase including a number of Boeings was agreed upon during Hu's visit. These deals were said to lead to the creation of 200,000-300,000 jobs in the US, at the expense of what appeared to be the US neglecting criticism-worthy human rights issues in China, particularly the issue of Liu Xiaobo's Nobel Peace Prize. Li Gangzhe thought very highly of these results, saying, “These US-China summit talks can be called a ground-breaking foreign policy achievement for China. [China claims it 'can't accept'] the 'G2' that has been spoken

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2 “Daikan minkoku no sōgō kokuryoku bunseki” [A Comprehensive Analysis of the National Power of the Republic of Korea], Chosun Ilbo (14 October 2009), reprinted in the China News Service on the 15th.
about in the US for the past few years, but in light of the fact that China passed Japan in GDP at the end of last year and become the second in the world, this effectively was the first step for the two world superpowers to hold hands together.\textsuperscript{3}

Robert Ross, a highly renowned US expert on Chinese foreign affairs, has a severe view of Sino-US relations during this period. Namely, his view is that against the backdrop of rapidly increasing military power through the development of modern arms, China has become far more powerful than before, and the country’s new diplomatic behavior is not readily apparent as it appears to be increasing its reliance on that military power. On the other hand, on the US side, Secretary of State Clinton stood her ground at the October 2010 ARF meeting with China in Hanoi, making resolute statements as to the direct benefit and interest of the US in the South China Sea while asserting that the US puts importance on strengthening relations with the countries of Indochina. Also, with respect to relations with South Korea, the US was conducting joint military exercises with South Korea in the Yellow Sea, and actions to loosely contain China are emerging. Robert Ross further stated that US policy towards China over the last 30 years is being reversed, and he is not optimistic about the future of the US-China relations.\textsuperscript{4}

2. A More Active Chinese Diplomacy

As if linked to these developments, China’s diplomacy has shown significant changes since 2010. In addition to the growth of economic and military power as mentioned above, the success of the Beijing Olympics and the rise of a positive nationalism in the form of the “great rejuvenation of the Chinese nation” upheld by the Chinese Communist Party offer a backdrop for the strengthening of the physical and psychological foundation for Chinese diplomacy. In 2009, papers actively asserting “maritime interests” came to adorn the pages of magazines pertaining to international relations with some frequency. Examples include Chen Weishu’s “Holistic View of China’s Overseas Interests” (\textit{Guoji Guancha}, February 2009), Zhang Yang’s “Discussion of China’s Maritime Mindset and Peaceful Rise” (\textit{Nanchang Daxue Bao}, February 2009), Jiang Zhun’s “The Spratly Islands: China Has Sovereignty Leaving No Room for Quarreling” (\textit{Shijie Zhishi}, May 2009), Ma Xiaojun’s “Is China a Maritime State?” (\textit{Shijie Zhishi}, August 2009), and Ju Hailong’s “New Thoughts on Regaining the Lost Southern Sea” (\textit{Nan Feng Chuang}, August 2009).

In step with the rapid increase in attention to maritime interests, a hard-line and active diplomatic deployment has emerged. The most important phrase in this area has been ‘core interests.’ In March of 2010, the Chinese government officially declared to US government officials for the first time that the South China Sea—a key region militarily and commercially linking Northeast Asia and the Indian Ocean whose territories are

\begin{itemize}
  \item \textsuperscript{3} Gangzhe Li, “Beichū no jitsuri gaikō to Nihon no ‘ushinawareta jyū nen’” [Pragmatic Sino-US Diplomacy and Japan’s ‘Lost Decade’], \textit{Li Gangzhe Burogu: Tōhoku Ajin}, (1 February 2011).
  \item \textsuperscript{4} Statements at a workshop on Chinese foreign policy at the Waseda Institute of Contemporary Chinese Studies on 31 January 2011.
\end{itemize}
disputed among Asian countries—is a ‘core interest’ to China's territorial integrity. Until this point, China had been considering the issues surrounding Taiwan, Tibet and the Xinjiang Uighurs to be ‘core interests,’ viewing these regions as matters of life-and-death importance for maintaining territorial integrity while refusing to make any compromises with other countries. However, by claiming a core interest in the South China Sea, China clearly indicated its intention to pursue maritime interests in the area.

These intentions also relate to the activation of activities in the region around the Senkaku/Diaoyu Islands in the East China Sea (to be discussed later), which provoked concerns over China's hard-line diplomacy in the surrounding countries. A Washington Post article stated that Southeast Asian countries nearly doubled their military expenditures in the five years from 2005 to 2009; more specifically, Malaysia’s increased eight-fold, Singapore’s doubled, and Indonesia’s rose by 84%. Vietnam, which is facing off against China over the Paracel (Xisha) Islands, decided to purchase 12 Russian Su-30 fighters and six Kilo-class submarines, all while working to deepen military and economic cooperation with the US. According to the Washington Post, the Chinese side is reporting that “Vietnam is prepared to accept war, the idea being to check China using the strength of the US.”

Assertions over ‘core interests’ continued to escalate thereafter. Since the fishing trawler collision incident around the Senkaku/Diaoyu Islands, discussed below, there have been heightened calls for a hard-line approach towards Japan. Meanwhile, Hong Kong's English-language newspaper South China Morning Post reported the words of a Chinese diplomatic source on October 2: a policy was newly decided upon to consider two territories—the South China Sea, a bed of territorial disputes between Vietnam and other countries, and the East China Sea, where the Senkaku/Diaoyu Islands are situated—core Chinese interests. However, it appears the range of core interests underwent a strict revision in a meeting of the Central Committee of the Communist Party of China at the end of 2010.

In this way, ‘core interests’ became a quintessential keyword indicating a hard-line diplomacy that does not shirk from conflict with others over territory, territorial waters or maritime interests. Another keyword that epitomizes the increased activity of China's diplomacy in general is the about-face inherent in “hide our capacities and bide our time.” As is well known, the basic stance of China's diplomacy was traditionally Deng Xiaoping's “24-Character Strategy” announced soon after the end of the Cold War, and

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5 “China Tells U.S. that S. China Sea is ‘Core Interest’ in New Policy,” Kyodo News Service (3 July 2010). Additionally, there is the theory that this diplomatic shift was determined at an important central party meeting at the end of 2009, but there is no concrete documentation.


7 “Chūgoku, aratani higashi shina kai mo ‘kakushinteki rieki’ Honkonshihōdō” [China Adds East China Sea to ‘Core Interests’ – Hong Kong City Report], Asahi Shimbun Digital (2 October 2010).

8 The author participated in a regular symposium regarding Sino-Japanese relations held in mid-January, 2011 by the Chinese People’s Institute of Foreign Affairs and the Japanese Institute for International Policy Studies. There, Japanese scholars repeatedly asked questions regarding this issue, and Chinese diplomatic personnel affirmed that the use of the term “core interests” in diplomacy is limited to issues involving Taiwan, Tibet, and the Xinjiang Uighurs.
at its core was this mantra of “hide our capacities and bide our time.” Around the same time and with nearly the same gist, Deng introduced the principle of “becoming the master defensively” as a stance for Chinese diplomacy. This was a way of thinking that placed particular importance on being amicable and avoiding conflict in diplomacy as much as possible with the realistic awareness that China’s power was still “not strong.”

Thereafter, China’s leaders basically stood faithfully by Deng Xiaoping’s “hide our capacities and bide our time” on the diplomatic front. President Jiang Zemin, who visited the US in 1997, further developed Deng Xiaoping’s “16-Character Policy for the US” (to increase trust, reduce troubles, develop cooperation and avoid confrontation), proposing a new “16-Character Policy” (to promote comprehension, expand common understanding, develop cooperation, and create the future together). Also, with the arrival of the Hu Jintao administration, Zheng Bijian, executive vice-president of the Central Party School who is said to serve as Hu's advisor, proposed the so-called “peaceful rise” in 2003, wherein China’s rise in international society would not challenge or threaten the existing international order. This kind of assertion truly adhered to the idea of “hide our capacities and bide our time.”

However, roughly in parallel to assertions of ‘core interests’ becoming prominent, a re-examination of “hide our capacities and bide our time” surfaced. In an interview in March 2009, Wang Jisi, dean of the Peking School of International Studies who was visiting Japan at the time, pointed out, “The existing international regime is fundamentally working to the benefit of China's national interests...However, it is also true that there are disadvantageous portions, and China must demand change from those portions.” Even Wang Jisi, who is considered to be a diplomatic advisor for international coordination, had awareness enough to not blindly preserve the existing international regime, but to adjust it to China’s advantage; it is here that the basic thoughts of China’s leadership regarding international society can be understood.9

On the occasion of a gathering of foreign diplomats in July 2009, President Hu indicated a foreign policy of “continue to hide our capacities and bide our time, while making a positive effort” to clarify Deng Xiaoping’s assertion.10 Officials handling diplomacy and military affairs responded particularly to the latter half of “while making a positive effort” (jiji yousuo zuowei). Here things shifted into a truly “aggressive” diplomatic course; calls for making a large portion of the South China Sea as well as the Senkaku Island region into Chinese sea territory intensified, and friction with neighboring Southeast Asian countries and Japan suddenly arose and started to spread.

China’s hard-line foreign policy is not only limited to relations with the surrounding region in Asia, but is now visibly being implemented towards international society as a whole. Starting around 2009, regulation of the foreign media, including Google, has intensified, and Google decided to withdraw from China in March of 2010 in protest against the fact that “freedom of the press is not guaranteed.” Another incident representative of the tough outward stance was the series of bold moves by Chinese

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9 “Chūgoku gaikō burēn ga kataru kokusai senryaku to Nihon” [International Strategy and Japan According to a Chinese Diplomacy Expert], Chainanetto (30 March 2009).
authorities in regards to dissident activist Liu Xiaobo’s Nobel Peace Prize win. First, during the process of determining the prize recipient, the Chinese government dispatched Deputy Foreign Minister Fu Ying to put strong pressure on the Norwegian government. Following, after the recipient had been chosen, China put strong pressure on the relevant countries behind the scenes to not attend the prize ceremony; eighteen countries that place strong importance on relations with China decided not to attend in response to this request, including Russia, Saudi Arabia, Iraq, Iran, Vietnam, Afghanistan, the Philippines, Egypt, Cuba and Morocco. In further opposition to Liu Xiaobo’s Nobel Peace Prize honor, China founded the Confucius Peace Prize, which they awarded to former Kuomintang leader and Vice-President of the Republic of China Lien Chan without even notifying him.

However, this tough stance of Chinese authorities has not necessarily been effective. There is unofficial information that at the end of 2010, there was a rigorous re-examination of the development of an outwardly hard-line course of action, including worsening Sino-Japanese relations, among the top party leadership. Therefore, at a regular forum on Sino-Japanese relations held in Beijing in mid-January 2011, there were some who felt that a number of China's statements regarding ‘core interests’ showed signs that China was clearly trying to course-correct its diplomacy in a more moderate direction.\(^\text{11}\) Although there may be a debate between the hard-liners and the moderates regarding foreign policy within China, this point will be discussed later.

3. The Continual Development of the Japan-China“ Strategic Relationship of Mutual Benefit”

In September 2006, the Koizumi administration, brought to a deadlock in Sino-Japanese relations over the problem of visits to Yasukuni Shrine, was replaced by the Abe cabinet. Abe chose China as the country for his first prime ministerial overseas visit in early October. At that time, Beijing commented positively on this initiative by Abe and regarded the visit as an “ice-breaking trip.” Both Chinese and Japanese leaders proclaimed the future creation of a “mutually-beneficial relationship based on common strategic interests.” Since then, exchanges between the leaders of Japan and China have been reinitiated, and to a more active degree than ever before. For example, a number of visits were made: Chinese Premier Wen Jiabao to Japan in April 2007, Japanese Prime Minister Fukuda to China in December 2007, Chinese President Hu Jintao to Japan in May 2008, President Hu to Japan in July 2008 and Prime Minister Fukuda to China in August 2008. Furthermore, under the DPJ administrations that followed, Japanese Prime Minister Hatoyama frequently engaged in Sino-Japanese summit talks and spoke with President Hu at the UN General Assembly meeting in 2009, which was quickly followed by a Japan-China-Korea summit in Beijing and talks with Premier Wen at

the COP 15 in Copenhagen in December. In 2010, at the Nuclear Security Summit in
Washington, Prime Minister Hatoyama again spoke with President Hu, and Premier Wen
officially visited Japan in May. After Japanese Prime Minister Kan took office, he met
with President Hu at the G20 summit in Toronto at the end of June 2010. Most notably,
when President Hu visited Japan in May 2008 during the Fukuda administration, Japan
and China signed the “Joint Statement on the Comprehensive Promotion of a ‘Mutually
Beneficial Relationship Based on Common Strategic Interests.’” Through it, energy
conservation, environmental measures and closer economic relations were promoted
without addressing the problem of history between Japan and China as the largest point
of dispute. The broad details of joint development of gas fields at the bottom of the
East China Sea were agreed upon, and overall, there was a feeling that Sino-Japanese
relations were progressing. Furthermore, with the start of the Hatoyama administration,
the “creation of an East Asian Community” was proposed once again, and there was
the clear indication of a switch from the conventional one-sided Americanism to a
diplomacy that placed importance on Asia and China. There was a breakthrough even
in security dialogue, which had previously been the poster-child for mutual distrust,
with the talks between Chinese and Japanese defense ministers in August 2007, and
this developed tremendously from that point on. Thereafter, there were visits on both
sides by ships from both countries. High-level exchanges (visits to Japan by the head
of China’s Ministry of National Defense, visits to China by Japan’s Defense Minister,
etc.) and visits on both sides by new officials also took place. In addition, the 11th Japan-
China Security Dialogue was held in 2009, and the security policies of both countries
were openly discussed.

Expansion occurred beyond these steady exchanges in politics and security, economic
exchanges, cooperation and mutual dependence as well. Total trade between Japan and
China amounted to $236,640,350,000 (a 12% increase year-over-year) in 2007, marking
the first time that China exceeded the US to become Japan’s number one trade partner.
Additionally, this was the first time the balance of Sino-Japanese trade had resulted in a
surplus for Japan since the first half of the 1980s. Later, China passed the US to become
Japan’s number one export destination in July 2008. However, starting in the autumn
of 2008, Sino-Japanese trade declined from the severe effects of the Lehman Shock,
stalling at $228,848,500,000 in 2009, a nearly $40 billion decrease from the previous
year. Nevertheless, Sino-Japanese trade recovered in 2010, and with an unprecedented
increase in the first half of the year to $138.4 billion (a 34.5% increase year-over-year)
remained favorable in the second half of the year despite the severe confrontation over
the Senkaku Islands, resulting in a year-round figure for overall trade that broke through
the $300 billion mark for the first time at $301.9 billion.

Japanese direct foreign investment in China has been stagnating since 2005, but
even so the figure for 2010 was $4.24 billion, a 3% increase over the previous year. The
Japanese economy has still not found a path to recovery, and the pessimistic view is
strong. However, with a rapid rise in exports, e.g., automobiles to China, Japan’s exports
as a whole have grown. Marukawa Tomoo, a spirited economist who studies China,
argues, “Exports to China are also increasing in lockstep with imports from China.
The dependence on China is truly mutual.” The “poisoned dumplings incident” that occurred in January 2008 deepened Japanese distrust of China, and imports of food from China suffered. However, a persistent investigation by Chinese authorities ultimately proved to be worthwhile, concluding in the identification and arrest of the perpetrator, and the case was closed. The problem of Sino-Japanese sentiment has also begun to show signs of improvement. Relevant indications include the reaching of an agreement regarding the joint development of gas fields at the bottom of the East China Sea, environmental cooperation and Japan's active cooperation following the Great Sichuan Earthquake.

According to a survey conducted by Genron NPO in August 2010, China’s “Image of Japan” improved by about 10% over the previous year. According to 4,080 responses obtained in a survey in major cities conducted from June-July 2010 by Searchina, over 31% responded that Sino-Japanese relations were “good” while 24% responded that they were “bad,” clearly indicating a trend toward improvement. In the past, the author has summed up Sino-Japanese relations around the year 2000 with the expression “the three increases.” These are, namely, an expansion in scale, an increase in diversity and an increase in compositeness, and they truly indicate the effective increase in closeness in relations that accompanies an expansion in quantity and quality of Sino-Japanese relations. At a round-table talk by the Japan Federation of Economic Organizations (Keidanren) in the summer of 2007 attended by the author, Chinese Ambassador to Japan Wang Yi stated that the “era of great exchanges between China and Japan” had arrived, and a sequence of events reminiscent of such a state of affairs was emerging. As it were, this “era” immediately preceded the fishing trawler collision around the Senkaku Islands in September 2010, and the outbreak that followed urges that we then ask, why? First, let us review the sequence of events.

4. The Sharp Surge of Contradictions/Hostility between Japan and China

On September 7, 2010, an incident occurred in which a Chinese fishing trawler collided with a Japanese coast guard patrol vessel in the vicinity of the Senkaku/Diaoyu Islands. As far as can be determined from images and audio recording of a video that was later leaked on YouTube, a candid assessment would be that the Chinese fishing boat made a fierce dash at the Japanese vessel. Of course, the Chinese side asserts that the collision was accidental, resulting from an attempt by the fishing trawler to escape from the midst of being surrounded. However, were that the case, the boat captain would have likely been treated accordingly; instead, it is said that he was placed under house arrest and deprived of external contact. Furthermore, there are those who believe that Japanese Foreign Minister Maehara's determination that this incident “is considered to be a

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12 Tomoo Marukawa, Chūgoku nashi de seikatsu dekiru ka [Can We Survive Without China?] (PHP Institute, 2009), p. 233.
problem of encroachment on territorial waters, and will be dealt with based on domestic law” incited and caused China to take an uncompromising stance. Nonetheless, this does not explain why the fishing boat caused a collision. Also, even supposing that Foreign Minister Maehara’s attitude goaded China, in light of the favorable relationship that had been established at that point, it is hardly common sense to peremptorily deploy a number of hard-line measures against Japan all at once, as described below.

Specifically, after the incident on September 7th, the chain of reaction was set off with a strong attitude from the Japanese side with the arrest and extended detention of the ship’s captain. However, the Chinese side also summoned Japan’s ambassador in Beijing, Niwa Uichiro, four times starting from the day of the incident in order to firmly protest Japan’s response and to demand the immediate release of the captain and crew of the ship. Each time, a higher ranking official in the Chinese government was on the other side, from Assistant Minister of Foreign Affairs Hu Zhengyue to Vice Minister of Foreign Affairs Song Tao, to Minister of Foreign Affairs Yang Jiechi and up to State Councillor Dai Bingguo. In particular, the last summons to Dai Bingguo was highly unusual, including the fact that it was made in the middle of the night of the 12th. Continuing, the Chinese government notified Japan that negotiations over the issue of gas fields in the East China Sea would be suspended, a fisheries patrol boat “Yuzheng” of China’s Bureau of Fisheries (under the Ministry of Agriculture) was dispatched on the 7th, and then the Bureau of Oceanic Administration (under the Ministry of Land and Resources) sent two of its ships including the “Haijian 51” of China’s Marine Surveillance Force the disputed area of sea; and from the 11th to the 13th, these faced off against Japanese Coast Guard survey ships, disrupting their oceanographic investigation activities.

In response, on the 13th, Japan’s leadership chose to make concessions, releasing the ship and allowing the ship’s crew, aside from the captain, to return to China. The captain was kept in detention for the investigation, and on the 19th a second extension of his confinement was decided upon by the prosecutors. Immediately following, the Chinese government began rapidly unleashing a number of severe retaliatory measures. Within the same day as the detention decision, further decisions were made to “suspend ministerial exchanges with Japan” and “table negotiations over increasing airline flights,” to “put off coal-related meetings” and to “reduce the scale of Chinese tourist groups to Japan.” On the following day, the 20th, it was determined that the sales promotion expenses of Toyota in China amounted to bribery, and a fine was imposed. A plan to invite Japanese college students to the Shanghai Expo was also dropped on the 21st. Furthermore, on the same day, four employees of Fujita in Wuhan were detained for “filming a military zone without permission,” and the export of rare earths to Japan was effectively stopped by intentionally tying them up in red tape at the customs office. On the 21st, Premier Wen Jiabao, who was on a visit to the US, stated, “We have no choice but to take necessary, coercive measures [against Japan],” and made a firm remark filled with unusual retaliation. This sequence of events could be considered the epitome of expeditious.

It is surprising that there was almost no coordination behind the scenes toward resolving the situation, and Japan’s response certainly seems to have been clumsy. But, considering the overall nature of the situation—dramatic escalation and firmly instated
measures side-by-side—a natural conclusion may be that this incident was consciously planned by China’s hardline groups. In addition to the reasons stated above, there is the fact that (1) immediately before this incident, a large group of 150 Chinese fishing boats had gathered in the same area. Furthermore, starting in 2010, incursions by Chinese fishing vessels spiked to 14 incidents by September (there was one in 2008 and none in 2009). Also, (2) as stated earlier, China has recently been taking the active steps of claiming sovereignty and expanding maritime interests in nearby waters.

When considering the backdrop to the firm measures by Chinese authorities, the following points can be noted. First, there is a “great power mentality” that has started to sprout and expand among China’s leaders and strategists. Until now, this paper has stated that one expression, which broadly sums up Sino-Japanese relations since diplomatic normalization, is that until the year 2000, it was a relationship of Japanese initiative, and starting from around the year 2000, it has been a relationship of bidirectional initiative. Bidirectional initiative between Japan and China can be explained objectively to a certain extent, but at the same time it contains the strong wishes of the author who asserts a “theory of two kings of the hill.” The incident involving the arrest of the Chinese boat captain may have displayed the actions of Chinese leadership applying an “overwhelming offensive” in order to immediately shift from a relationship of bidirectional initiative to one of “Chinese initiative.”

Even immediately after Japan decided to release the captain on September 25, Chinese Foreign Ministry spokesperson Jiang did “request compensation and an apology” with a severe demeanor, but this can be considered to have been a performance to signal China’s “strength.” The following day, the same spokesperson indicated an intention to seek the recovery of Sino-Japanese relations, this time while “smiling.” The author observed this change in the spokesperson, and considered that some sort of “agreement” was made regarding the incident among Chinese leadership. Three of the detained employees of Fujita were released on September 30th. Furthermore, Japanese Prime Minister Kan and Chinese Premier Wen talked at the Asia-Europe Meeting (ASEM) summit conference in Brussels on October 4th, albeit for only 25 minutes or so. At this point, the author predicted that the problem would thereafter be handled swiftly and the relationship redirected toward restoration. The last Fujita employee was finally released on October 9th. However, the situation did not move easily towards resolution.

This fact was first seen in the anti-Japanese riots that spread over a wide range. The plenary session of the 17th CPC Central Committee, which to the Chinese Communist Party is second in importance only to the National Congress, met from October 15-18. While in session, anti-Japanese demonstrations of youths broke out suddenly in quick succession: in Chengdu, Xian, and Zhengzhou on the 16th, Mianyang in Sichuan on the 17th, and Wuhan on the 18th. Here, again, many questions arise. First, it is normal practice during the plenary sessions of the CPC Central Committee for armed police and other law enforcers to be placed in every region of the country in order to prevent unexpected incidents, and for a state of maximum security to be deployed;

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14 Report of Japan Coast Guard Commandant Hisayasu Suzuki at the Japan House of Representatives Committee on Land, Infrastructure, and Transport on 10 September 2010.
15 For example, ibid., p. 67.
so, amidst this, how did such large-scale demonstrations, which should have been impossible, occur without the “agreement or tacit consent” of the party? Second, if these demonstrations were truly “anti-Japanese,” it would be expected that they occur in the coastal economically developed regions such as Shanghai, Beijing and Guangzhou, where there are many Japanese people and corporations; so why were these successive occurrences limited to the inland regions this time?

In the large-scale anti-Japanese demonstrations that occurred in Chengdu in Sichuan province, youths marched holding banners and shouting anti-Japanese phrases: “Little Japan [derogatory term for Japanese people], leave the Diaoyu Islands [Senkaku Islands],” “Destroy Japan,” “Boycott Japanese goods.” There was a spectacle in Xian as well, where youths carried placards saying, “Destroying Japan is the most important thing for China” and rode in trucks while waving the Chinese flag. However, of the demonstrations in Chengdu, the Apple Daily reported that “based on interviews with students who participated in the demonstrations, it became clear that student groups had organized them.”

In Mianyang, a region of many ethnic minorities that suffered some of the greatest damage during the May 2008 Great Sichuan Earthquake with a delayed post-disaster recovery, dissatisfaction had been escalating among residents who were struggling with poverty. The region also houses a nuclear physics center, has a number of secret military facilities nearby, such as those for nuclear arms and missile development, and it is said that the Japanese population is rather low. Consequently, it is difficult to write off these protests as simply anti-Japanese demonstrations. It is said that some anti-Japanese demonstrations that broke out in Deyang in Sichuan Province, Lanzhou in Gansu Province, and Baoji in Shanxi province partly included criticism of the Chinese government, namely, demands for a multi-party political system and discontent with corruption and high housing prices. Zhou Yongkang, member of the Politburo Standing Committee, declared on the 25th to the citizenry regarding the protests that they should use “rational and orderly methods that respect the law.” To contrast, the young, popular writer Han Han coldly criticized the nationalist anti-Japanese movements on his personal blog, stating that “it is meaningless for a populace that cannot protest domestic political problems to protest against foreign countries. It would just amount to massed gymnastics.”

In light of the information presented above, two more important factors arise in the recent string of “anti-Japanese demonstrations,” even while they were coupled with the Senkaku/Diaoyu Islands dispute. One is that with a backdrop of a string of events that flattered China’s sense of self-esteem—the Beijing Olympics, the Shanghai Expo, surpassing Japan to have the 2nd largest GDP in the world—the sense of superiority from being a “rich and powerful country” with “the great rejuvenation of the Chinese nation” ballooned, flames of nationalism were fanned, and among the general populace, particularly youths, the atmosphere shifted to “strike thoroughly,” a contrast to the “calm but firm” measures such as those applied against a “declining Japan” that would

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16 Apple Daily (17 October 2010).
17 “Zhongguo gaoguan huyu minzhong yifa bidao aigouyi yuan” [Chinese Officials Urge Public to Act According to Law, Express Patriotism], Reuters Beijing (26 October 2010); People’s Daily (26 October 2010); and Asahi.com (16 October 2010).
arrest a Chinese boat captain. The second is that it can be said that with worsening social discrepancies—widening inequality, retention of poverty, corruption and graft—accumulated social grievances erupted with the borrowed name of being “anti-Japanese,” and that in itself had a type of “pressure release” effect that kept it from going too far.


To explore the issue further, it appears that certain consequential factors require some additional consideration. The first factor involves the problem of the China-Japan joint development of seafloor resources in the East China Sea. Firstly, why did the collision incident with the Chinese fishing trawler occur on September 7? Incidentally, a workshop had been planned for two days later, September 9, between the governments of Japan and China regarding their joint maritime venture, and the countries were scheduled to sign a governmental level joint development agreement on September 11. However, as a consequence of the September 7th incident, that joint development between Japan and China came to an impasse and, even today, plans to resume it have yet to be made.

As a related issue, it had initially been planned that Japanese Prime Minister Kan and Chinese Premier Wen, who were attending the East Asia Summit in Hanoi on October 29, would participate in official talks, but the Chinese side suddenly announced that the meeting would be cancelled. One of the reasons China gave for canceling was that Japanese Foreign Minister Maehara Seiji had announced at the Japan-China Foreign Ministers' Meeting on the previous day that there had been an agreement to reinitiate negotiations regarding the development of gas fields in the East China Sea. However, Maehara denied making such a statement and it was soon determined to have been an erroneous report from the AFP news agency. Unfortunately, the clarification was made too late. Furthermore, at the APEC Summit Meeting in Yokohama on November 13, in a meeting between Maehara and Yang Jiechi that followed talks between Kan and Hu Jintao, Yang Jiechi adopted an attitude of complete disregard toward joint development in the East China Sea amidst a number of proposals made by Foreign Minister Maehara.

From these events, the author has come to believe that, as the core issue behind the recent displays of Sino-Japanese friction, there has been a standoff within Chinese leadership over the development of resources in the East China Sea, with one group attempting to promote Sino-Japanese joint development as another asserts that China should proceed with development alone. From the beginning, Sino-Japanese joint development had been agreed upon in the Fukuda administration during Hu Jintao’s visit to Japan in May of 2008, as was previously stated. But according to diplomatic officials at that time, there was strong opposition within China and it was by the extremely strong leadership of President Hu Jintao that the agreement went through.

Furthermore, although this was discovered after the fact, on September 3, just before the fishing boat incident, a slogan saying, “Joint development in the East China Sea is treason,” along with a picture of a protest in front of the Foreign Ministry, were
posted on the website of the Chinese Federation for Defending Diaoyu Islands, which advocates protecting the islands.\textsuperscript{18} Here, the movement of forces that strongly oppose joint development can be glimpsed. The author conjectures that the argument for unilateral development by China is being promoted by vested interest groups related to energy resources development such as the China National Petroleum Corporation (CNPC), the China Petrochemical Corporation (Sinopec) and the China National Offshore Oil Corporation (CNOOC). The assets of these groups have ballooned impressively over the last 10 years or so, placing them among the top 10 mega-corporations in the world.

It is natural that elites have more bargaining power when they grow along with their power.\textsuperscript{19} Additionally, they have an extremely intimate relationship with the military in regards to expanding maritime interests. Although it is inferrable that they have correspondingly begun to have some sort of strong influence over China’s policy-making process, a Chinese scholar of international politics has affirmed the point, saying that “there is indeed such a tendency.” A position of placing more importance on maritime interests in Chinese diplomacy is also expressed in a chapter of the 2010 edition of \textit{China’s Foreign Affairs} titled, “Safeguarding Border, Coastal and Territorial Air Security.” It asserts, “The goals and tasks of China’s national defense…are [to] safeguard its maritime rights and interests.”\textsuperscript{20} Generally speaking, the group that is espousing unilateral development of Chinese resources is likely placing greater confidence in China as it continues to rise while also forming the concept that there is no need to develop jointly with Japan as it can very much be done alone. The slogan “joint development in the East China Sea is treason” used on the Chinese Federation for Defending Diaoyu Islands’ website, mentioned above, was likely to have been promoted by this group.

By contrast, the group asserting joint development between Japan and China believes that taking the course of international cooperation is important and considers that China’s rise within international society is ultimately the result of China’s participation in international society and its promotion of interdependence within the global economy. In the \textit{China’s Foreign Affairs} mentioned above, there are strong statements regarding border and maritime issues but at the same time there are also assertions such as, “China consistently pursues a foreign policy of building an amicable relationship and partnership with its neighbors….and reinforced good-neighborly friendship and practical cooperation with neighboring countries.”\textsuperscript{21} These assertions by the group advocating international cooperation within the diplomatic offices are evident

\textsuperscript{18} Satoshi Amako, “Chūgoku mondai to iu yūtsu” [The Gloom of the China Problem], \textit{Kouken} (December 2010).


\textsuperscript{21} \textit{Ibid.}, p. 296.
in the course of events thus far. In this context, further development of relations with Japan and the Sino-Japanese relationship of interdependence have been emphasized.

Also, Sino-Japanese joint development was completely cut off due to the fishing-boat collision and Senkaku/Diaoyu Island sovereignty problems. Given that no timeline has been applied despite repeated proposals for the reopening of discussions by Japanese leaders, it is possible that in the policy-making process within Chinese leadership, there was a severe standoff between those for joint development and those for unilateral development regarding resource and energy acquisition, and that the group advocating for joint development ultimately lost. Of course, at this point it is hard to speculate as to who advocated unilateral development and who advocated joint development, and further, it is not well known whether opposing sentiments can even be conceptualized as such, into discrete groups.

However, perhaps the problem was yet more complicated. In other words, comparing the spate of anti-Japanese riots from mid-October to late-October to the developments of the Fifth Plenary Session of the CPC Central Committee, it appears that the mutual relationship can be seen in a slightly different form. On the last day of the Fifth Plenary Session, Vice-President Xi Jinping was appointed Vice-Chairman of the Central Military Commission. This signified that Xi Jinping was approved within the party to be Hu Jintao's successor. Just before the last day, although no proof exists, there was a rumor that “Xi Jinping's appointment as Vice-Chairman of the Central Military Commission [would] be deferred this time.” Consequently, being that he ultimately was appointed, the general opinion spread among many analysts that Jiang Zemin and the Princelings incited the anti-Japanese demonstrations in order to bring about Xi Jinping's appointment as Vice-Chairman of the Central Military Commission, and that the pressure put on Hu Jintao and Wen Jiabao was effective.

This paper takes a different view on the issue. Namely, as discussed earlier, these protests occurred in inland, urban areas, and many issues of social inequality and injustice, such as widening gaps and corruption, were being protested at the same time anti-Japanese slogans were being shouted. More than anything, this signified a protest against the bloated “vested interest groups” and were consistent with the course taken by Hu Jintao and Wen Jiabao who emphasized the promotion of a “harmonious society” (hexie shehui). My bold hypothesis is that even under the same title of being “anti-Japanese,” the power of the group that opposed joint development was the driving force behind the Senkaku Islands incident whereas dissatisfaction with injustice and widening disparities within society were the driving force behind the student protests in the inland region in October. If we consider that the target of the Senkaku Islands incident in September was the group favoring Sino-Japanese joint development, then the student protests in October can be considered to have been targeting the group of beneficiaries for economic growth within current leadership and elites. Despite the shared surface of “anti-Japanese,” there were actually different assertions and different groups in the background. Consequently, Xi Jinping's appointment as Vice-Chairman of the Central Military Commission had already been the predetermined path, the problem having rather to do with other leaders (the Premier, the members of the Politburo Standing Committee of the CPC and so on), and there was the intention and
effect of promoting a group that placed importance on building a “harmonious society.”

6. Complicated Domestic Politics, Foreign Policy and Sino-Japanese Relations

Here the relationship between China’s domestic politics and foreign policy will be examined in light of the discussion so far. A point that should be noted as a premise is the sense that the power struggle within the party is becoming more intense. However, there is not a clear difference that cleanly divides two groups into such sections as reformers versus conservatives, Chinese Communist Youth League (CCYL) versus Princelings, Hu Jintao's supporters versus Jiang Zemin's supporters, and so on; rather, the opposition is one that can be conceived of as types of inclinations within an intricate web based on a number of disputed points. Yet there are three perceptions and interests that both share. The first is the sharing of a heightened nationalist mentality of being a great power, and that China should be a nation befitting of that. The second is the fact that many of the leaders and elites were fundamentally the winners in the Chinese economic reform and are either participating in vested interest groups or strengthening their ties with such groups. The third is the fact that a sense of crisis toward the Communist one-party system has been growing, particularly in the last few years.

These points were indicated by an internal report by President Hu Jintao during the 4th Plenary Session of the 17th CPC Central Committee in the fall of 2009. The original document vividly portrays the depth of his sense of crisis. The subheadings of this report are as follows: (1) Ordeals and crises in the administration of the social foundation, (2) Ordeals and crises in whether or not to continue with economic reforms, (3) Ordeals and crises in whether or not the socialist market economy will succeed, (4) Ordeals and crises in the aggravation of pressure and paradoxes within Socialism, (5) Ordeals and crises of changes in the international environment, (6) Ordeals and crises of improving relations between the party and the masses, and (7) Ordeals and crises of unity and cohesion within the ruling party. Also, he warned, “The situation of party-building is extremely severe and if a crisis occurs there will be an explosion in the party.”

Even while sharing these three points, various conflicts arose among the leaders in these three areas: (1) a conflict between a policy of “opposition and toughness” and a policy of “coordination and flexibility” in China’s relations with international society, (2) a conflict between a policy of maintaining a high level of economic growth and a policy of placing importance on building a “harmonious society” in domestic development, and (3) a conflict around the leadership personnel looking towards the 18th party national congress in 2012. It is possible that these were very directly reflected in China’s recent relations with Japan. The group that is for international coordination is connected to the group that places importance on building a harmonious society and therein are those who are on the side of the China Communist Youth League such as Hu Jintao and Li Keqiang as well as Wen Jiabao. On the other hand, the group that takes a hard line internationally is connected to the group that places importance on economic

22 Junkan Chūgoku Naigai Dōkō [China’s Internal and External Trends] (20 October 2009), pp. 4-8.
growth, and therein is the cluster of those who are affiliated with Jiang Zemin and the Princelings. Of course, as mentioned earlier, these cannot be divided clearly into two and there are those who began on the side of the China Communist Youth League who are affiliated with the Princelings, as well as leaders who have a strong relationship with the vested interest groups despite being part of the China Communist Youth League. However, the most difficult decision, to be discussed later, involves how to view Xi Jinping. This likely depends on the decision of how to view the top leaders in Chinese politics.

From this viewpoint, the Senkaku Islands incident in September developed overwhelmingly in favor of the group that takes a hard line internationally and the group that places importance on economic growth. It can be said that Hu Jintao himself could not suppress their momentum, while being dragged along by the three shared points mentioned above. However, in the anti-Japanese student demonstrations in October, the group that is for international coordination and the group that places importance on building a harmonious society did recover to an extent. Nevertheless, this coincided with Liu Xiaobo winning the Nobel Peace Prize, when China’s leadership was under considerable pressure from international society; because this resonated with the country’s sense of crisis and great power mentality, as mentioned above, they were forced to take especially hard-line measures, and it appeared on the surface that the situation proceeded according to the group that takes a hard line internationally. Following this, it was generally said that “if the decision to appoint Xi Jinping to be the Vice-Chairman of the Central Military Commission is viewed as a political conflict, there is the possibility that the Shanghai clique won and Hu Jintao’s leaders entered their lame-duck period.” This view sprang to the fore when it was clear that President Hu Jintao had not been informed by military leadership about “the test flight of the latest next-generation stealth fighter jet, the J-20,” as was revealed when US Secretary of Defense Robert Gates asked him about it during a one-on-one meeting in China on January 11th.23

However, since December, a clear change can been seen in the sequence of events both in terms of domestic politics and foreign policy (one theory holds that a reevaluation of diplomatic policy started in late October). Li Keqiang, the first-ranking Vice-Premier of the State Council of the People’s Republic of China who had not been particularly notable until then, visited a number of cities in Guangdong province, and a speech in which he made the call, “Let us reform the old ways, adjust our structures, emphasize benefit to the lives of the people, and engage in collaborative promotion of economic development and societal building,” was published on the front page of People’s Daily.24 Furthermore, he officially visited Spain, Germany and Great Britain in early January 2011, engaging in important exchanges of viewpoints and creating policies for strengthening relationships and deepening economic and trade cooperation. In addition, he called a session of the State Council Food Safety Commission in

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24 People’s Daily (15 December 2010).
February and directed that the Food Safety Law be comprehensively implemented with
the reinforcing of the safety of food as an important part of improving and safeguarding
the lives of the people. Further still, it was reported on the Yomiuri newspaper’s website
on February 19 that “his official visit to Japan, the most sensitive relationship, is planned
to be within the year.” Thus, Li Keqiang’s activities since the 5th plenary session in
October of 2010 have been salient, and it does not seem that the Chinese Communist
Youth League group is being pressured or weakened by the Princeling group.

From a diplomatic perspective, when it was decided that Liu Xiaobo was to receive
the Nobel Prize in October of 2010, China, which strongly opposed the action, appeared
to take a hard-line course in its foreign policy. However, international organizations and
scholars specializing in China had many different opinions, such as “China may be the
second-biggest economy in the world, but it is isolated from the world diplomatically,”
and at an important diplomacy-related meeting in December, China conducted a rather
strict self-evaluation. Also, at the Sino-Japanese relations symposium with China’s
Institute of Foreign Affairs mentioned earlier, which the author attended in mid-January
2011, ‘core interests’ were limited to “the issues of Taiwan, Tibet, and Xinjiang,” and
high-ranking officials in the foreign ministry repeatedly emphasized that it would not
expand beyond this. Furthermore, at this same meeting, there were also statements to
the effect that China’s feelings about Sino-Japanese relations had returned to their state
from before the Senkaku Islands incident in September.

Also, a Japan-China vice-ministerial-level meeting was held in Tokyo again on
February 28 for the first time in one year and eight months, and substantive discussions
were held across five-and-a-half hours centered on Japanese Vice-Minister of
Foreign Affairs Sasae and Chinese Vice-Minister of Foreign Affairs Zhang Zhijun.
An improvement of national sentiment on both sides, a practical strengthening of
cooperation in various fields, and an incorporation of “proper handling of sensitive
issues,” such as historical problems, were confirmed. In this way, a flexible course of
action in diplomacy and policies towards Japan has become prominent. As a result,
since the 5th plenary session of the 17th CPC Central Committee, it cannot be said that
the situation is being moved solely under the initiative of the “hard-line group” of the
Princelings.

The major question is how to view Xi Jinping, who was selected to be the top leader
after Hu Jintao, and who will continue to be a key player in domestic politics and
diplomacy from now on. After the 5th plenary session ended, and immediately after Xi
Jinping’s appointment as Vice-Chairman of the Central Military Commission, the Apple
Daily (Hong Kong) indicated a severe viewpoint towards the idea of placing importance
on reform and international coordination: “He belongs to the Princelings among the top-
echelon leaders, and as long as those who defend the interests of the privileged classes
diligently preserve the authoritarian regime form the supporting foundation, large-
scale reforms, and the like, are unlikely.” Also, “The faint hope that Xi will take a large
axe to political reforms to become ‘China’s Gorbachev’ simply because he is the son of
Xi Zhongxun, who is known for being pro-reform and pro-enlightenment, will likely

25 Duowei Xinwen (12 December 2010), p. 20, and statements by relevant sources.
vanish.”

However, Xi Jinping’s personal background is hardly simple. For reasons involving his father, Xi Zhongxun, who was purged during the Cultural Revolution, he was exiled to the extremely impoverished area of Yanchuan in Shanxi Province for 7 years, starting in 1969. There, Xi eventually became the party-branch secretary for a production team in the area and became involved in rural issues. In 1975, he matriculated into the chemical engineering department of the prestigious Tsinghua University and, after graduating in 1979, worked as the secretary for Vice-Premier and Minister of National Defense, Geng Biao, where he is said to have made connections with military personnel. He distinguished himself upon becoming the governor of Fujian province in the year 2000 after serving as party secretary in Fuzhou. In November of 2002, he was appointed secretary of the Zhejiang party committee at the age of 49. In 2006, there was a major corruption incident in Shanghai and the city’s party secretary, Chen Liangyu, was forced to resign; Xi became the party chief for Shanghai in March of 2007.

Although the dominant theory is that Xi became Shanghai’s party secretary due to the strong patronage of the Jiang Zemin/Zeng Qinghong (Jiang Zemin’s right-hand man) line, the very fact that Chen Liangyu, who was said to be one of the loyal subjects of Jiang Zemin, was toppled signified a drop in Jiang Zemin’s influence, so it is not entirely reasonable to say that Chen’s successor was the result of Jiang’s initiative. The man who was to become the key player was, in fact, Zeng Qinghong himself. His father was also a revolutionary hero and one of the Princelings. As often as it is pointed out that the main members of Xi Jinping’s office were previously members of Zeng Qinghong’s office, even today the two men are on close terms.

Also, reports that Xi Jinping has favorable relations with members of military leadership do not only include relationships from his aforementioned stint as secretary for Geng Biao; it is also said that he has close ties to a number of military personnel from his activities in Fujian and Zhejiang Provinces, with the current Minister of National Defense, Liang Guanglie, Chief of General Staff of the People’s Liberation Army, Chen Bingde, Commander in Chief of the Navy, Wu Shengli, and Commander of the Air-Force, Xu Qiliang among them. Regarding his relationship with Hu Jintao, while Xi was in Shanghai as the party secretary, he put effort into achieving economic growth of the sort that President Hu would support, and there is a theory that he rose as a person who was easily accepted by followers of both Hu Jintao and Jiang Zemin who belong to competing factions within the party. At a symposium in February of 2011, a Chinese scholar stated that to Xi Jinping, being a Princeling is like having a cloak and that, in fact, he does not have close relations with the other Princelings.

Based on the above analysis, it is probably best not to view Xi Jinping in the simplified schema of “Jiang Zemin’s group—Princeling representative—powerful pipeline to the military leadership—conservative group—hard-line foreign affairs

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26 Apple Daily (21 October 2010).
27 Information from a member of the press stationed in Beijing.
Moreover, the idea of the lame-duck period for Hu Jintao’s leadership is premature. In Premier Wen Jiabao’s Government Work Report given at the National People’s Congress in March of 2011, he highlighted “a rapid shift in method of development” as the most important issue, set the growth target at a much-lower level of 7 percent annually, and, while suppressing a “reckless doctrine of growth” dependent on exports and real-estate investment, emphasized putting energy into expanding employment and consumption as well as fleshing out social security. These were aims very much in the style of Wen Jiabao.

Moreover, in the “reality” that surrounds China, domestically speaking, social dissatisfaction is erupting across the country from the urban to the rural areas, and protests/riots, though at a small scale, are becoming more regular. Internationally speaking, China is endeavoring to inhibit such domestic effects as the spread of the Jasmine Revolution in the Middle East and the movement to support Liu Xiaobo. The Communist one-party system, which seems robust at a glance, has recently been wringing its hands and struggling to respond to the momentum of Internet media which is abuzz around the world. This is truly the state of having troubles both at home and abroad, the condition of having a heightened awareness of structural crisis amid prosperity. Ultimately, the danger in political reform, which is the issue, is for now too great for Chinese authorities to tackle in a full-fledged manner, and there is no choice but to stop at partial reforms—using power to suppress destabilization and prioritizing the avoidance of fragmentation. Hu Jintao’s administration has been left with no choice but to depend on the rising vested interest groups in each field that have started to wield influence over political decisions, particularly in resource and energy development.

Finally, considering the future of Sino-Japanese relations there are three broad scenarios that can be envisioned. The first is the scenario of opposition. In this case, China makes a mistake in how it handles territorial and maritime problems, which leads to heightening distrust of China and the concept of China as a threat (both sentiments that accompany Chinese military expansion); the strengthening of the US-Japan security treaty is promoted, in response to which China’s heavy-handed dealings would remain strong. The Sino-Japanese opposition would not stop there, but could extend into a Sino-US conflict, which would then become structured in lockstep with the idea of China as untrustworthy—a threat to surrounding countries. This is the scenario in which a so-called “New Cold War” develops.

The second is the scenario of an isolated Japan. If one follows the logic of so-called realism and power politics alone, which overlooks interdependent relationships, the first scenario in which an opposition between the US and China arises is plausible. However, in contrast to the post-WWII scenario, globalization has proceeded at a feverish pace, and complex interdependent relationships that cannot be explained in terms of “zero-sum” relations are being formed. There is a real possibility that the US and China would place importance on achieving interdependence, in which case they simultaneously deepen their opposition on the realism plane as they reconcile certain points. The rapprochement between the US and China in the first half of the 1970s behind Japan’s back was a choice that stemmed from realism. If in the future circumstances are such that US-China ties grow out of Sino-US opposition and Sino-Japanese opposition amidst
stronger dependence on the US, Japan would be left with nowhere to go, with no choice but to walk the lonely path of isolation. This would be the worst-case scenario.

At last, when forecasting the future of Japan from a historical perspective and from the international standpoint/role of the country, the third perspective of co-existence and co-prosperity appears. This perspective is based on the premise that a mutually trusting relationship with China exceeds mere lip service, and the mentality that the existence and role of the other country is important in achieving one’s own goals. What is China aiming for? The answer is likely to evolve from being a “wealthy and powerful country” and a “responsible power,” as China has already frequently asserted toward an international audience, to being a “respected power.” Also, China would likely aim domestically for eliminating unjust and absurd disparities to literally construct a “harmonious society.” By contrast, despite continuing to be an economic powerhouse of over $5.5 trillion, Japan is in a sustained trend towards population reduction and a hollowing-out of industry, and hence there are no hopes for a recurrence of high levels of economic growth. This in itself is of little matter. Rather, Japan should focus on being a mature powerhouse that aims for more solid social capital such as health care, welfare and education, putting energy into the wealth and quality of life of the individual while maintaining a degree of economic growth.

Here, what is the meaning of a partner country with respect to each of these goals? Exploring this issue from the Chinese perspective, there are not only a few Chinese intellectuals who believe that Japan, surpassed in terms of military strength several years ago, and economic last year, is no longer an important partner for China—but this is a gross error. In order to engage in strategic development for achieving a “harmonious society,” Japan’s role is in truth extremely important. This is true not only in regards to Japan’s oft-discussed high-level technology in the areas of the environment and energy conservation, but also to its harmony between humans and nature, recycling-minded society, the law-abiding mentality that has permeated the populace, its maintenance of a stable social order, that have been maintained over a long period; considering the similarities in culture and lifestyle between Japan and China, it is Japan and not the West that is the living model for China’s “harmonious society.”

On the other hand, for Japan to aim to be a “mature powerhouse” a certain level of economic growth needs to be maintained and China’s role in this aspect is crucial. First, the importance of China, where a relatively low-cost and superior labor force can be secured, is unquestionable for the survival of Japan’s manufacturing industry. Second, China will be an enormous “market” for Japan. Third, there is much to be gained from the positive, creative, young body of Chinese human resources. Here, Sino-Japanese relations are thusly clearly interdependent from the Japanese side as well.

On February 28, 2011, a Japan-China vice-ministerial-level meeting was held in Tokyo for the first time in one year and eight months, the previous meeting being one in June two years prior. Japanese Vice-Minister of Foreign Affairs Sasae and Chinese Vice-Minister of Foreign Affairs Zhang Zhijun had a frank exchange of opinions regarding the regional situation including the improvement of Sino-Japanese relations, the restoration of visits by the top leaders of both sides, development of East Sea gas fields and the Koreas, among other topics, and agreed that the relationship was
moving in a good direction. Furthermore, at a press conference at the National People’s Congress on March 7, Chinese Foreign Minister Yang Jiechi emphasized the idea that China would further the strengthening of cooperation and improvement of relations with other countries, including the deteriorated relationship with Japan. In this way, the momentum of improving relations is clearly increasing at the governmental level in both countries. Yet, the relationship between these two countries still has many issues to overcome before a relationship of trust can be built. In particular, as mentioned already, the Sino-Japanese relationship must eliminate aspects that are often affected by national sentiment, domestic power struggles, and disputes regarding vested interests. In order to understand the other country, efforts to understand the conditions and sentiments of that country cannot be neglected. The path to true improvement of relations is steep. A true improvement of relations is imperative in guaranteeing a sound future for both Japan and China.

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**About the Author**

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